

Message Text

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PAGE 01 STATE 087825
ORIGIN COME-00

INFO OCT-01 CIAE-00 DODE-00 EB-08 NSAE-00 ICA-11
TRSE-00 EA-10 DOE-15 ISO-00 SOE-02 /047 R

DRAFTED BY COM/OEA/CD: RJMCGEAHAN/HB
APPROVED BY EB/ITP/EWT: AREICHENBACH

COMMERCE/OEA - CBCLEMENTS

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P 052257Z APR 78

FM SECSTATE WASHDC

TO AMCONSUL HONG KONG PRIORITY

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EXCON

E.O. 11652:N/A

TAGS: ESTC, HK

SUBJECT: 1. PRE-LICENSE CHECKS: SHANKLIN DATA SYSTEMS,
LTD/POST SHIPMENT CHECKS: SHANKLIN DATA/TRADING CO. ROOMS
501-505, KAM CHUNG BUILDING, 54 JAFFE ROAD, HONG KONG

SUBJECT: 2. APCOM ELECTRONICS/APCOM SYSTEMS LTD.

REFERENCE: A) HONG KONG 3489, 3/17/78, AND PREVIOUS; OEA/CD
CASE NO. 9(76)-20

1. SUMMARY. SHANKLIN DATA SYSTEMS WANTS TO PURCHASE
ACCESSORIES FOR SEMICONDUCTOR MANUFACTURING EQUIPMENT.
OEA RECORDS DO NOT REFLECT EXPORT LICENSES BEING ISSUED
FOR THE EQUIPMENT ITSELF. WHEN PRE-LICENSE CHECK CON-
DUCTED, POST-SHIPMENT CHECK SHOULD BE CONDUCTED TO DETER-
MINE IF TESTER AND OTHER EQUIPMENT LICENSED TO SHANKLIN
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LIMITED OFFICIAL USE

PAGE 02 STATE 087825

FIRMS STILL IN THEIR POSSESSION. ADDITIONAL INFORMATION
ON SHANKLIN/SYSTEMS DATA/APCOM PRINCIPAL, JOHNSON MA,
INCLUDED. END SUMMARY.

2. ELECTROGLAS INC., SANTA CLARA, CALIF., APPLIED FOR
EXPORT LICENSES (BTR NOS. A277694 AND A277695) TO SHIP
ACCESSORIES FOR MODEL 1034 HIGH FREQUENCY WAFER PROBERS,

TOTAL VALUES: 16,255 AND 14,585 DOLLARS, RESPECTIVELY,
TO SHANKLIN DATA SYSTEMS.

3. STATED END-USE: FOR THE PRODUCTION AND MANUFACTURE
OF SEMICONDUCTOR PRODUCTS.

4. APPLICATIONS SUPPORTED BY HONG KONG IMPORT CERTIFI-
CATE NOS. 705711 AND 705710, BOTH DATED 8/17/77 AND
SIGNED BY POLLYANNE WEK.

5. N.B. CURRENT CHECK OEA RECORDS FAILED TO DISCLOSE
ANY EXPORT LICENSE(S) ISSUED FOR ELECTROGLAS MODEL 1034
WAFER PROBERS THEMSELVES. THESE PENDING APPLICATIONS
APPEAR TO CONTAIN ADD-ON OR REPLACEMENT ACCESSORIES FOR
AT LEAST 3 MODEL 1034 WAFER PROBERS. OEA RECORDS DO
DISCLOSE ELECTROGLAS APPLICATION FOR THREE SUCH PROBERS
DESTINED FOR SHANKLIN TRADING SPINOFF, SYSTEMS DATA
SEMICONDUCTOR, WAS RETURNED WITHOUT ACTION TO APPLICANT
IN NOVEMBER 1976. HONG KONG IMPORT CERTIFICATE COVERING
APPLICATION AMONG THOSE RETURNED TO POST VIA REGISTERED
AIR POUCH IN EARLY DECEMBER, 1976.

END PART ONE

BEGIN PART TWO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 087825

6. EXPORT LICENSE A247974 ISSUED TO LORLIN INDUSTRIES,
DANBURY, CONN., TO SHIP ONE LORLIN TRANSISTOR TESTER
MODEL T12B WITH MODULES, TEST FIXTURES AND SLAVE STATIONS,
TOTAL VALUE: 18,387 DOLLARS, TO SHANKLIN TRADING. END-
USE: PRODUCTION SEMICONDUCTOR DEVICES. HONG I.C. NO.
618414, DATED 8/18/76, SUPPORTED APPLICATION. GOODS
EXPORTED ON 4/13/77 (NORTHWEST ORIENT AIR WAYBILL 012-
7389-1226).

7. EXPORT LICENSE A255-795 ISSUED TO RUCKER AND
KOLLS, MOUNTAIN VIEW, CALIF., TO SHIP ONE R 7 K MODEL
260 PROBER WITH ACCESSORIES, TOTAL VALUE: 3,072 DOLLARS,
TO SHANKLIN DATA SYSTEMS. END-USE: MANUFACTURE OF
SEMICONDUCTOR DEVICES. HONG KONG I.C. NO. 702400,
DATED 4/7/77, SUPPORTED APPLICATION.GOODS EXPORTED ON
7/15/77 (JAPAN AIR LINES AIR WAYBILL 131-6145-5763).

8. EXPORT LICENSE A257126 ISSUED TO IPT CORP., SANTA
CLARA, CALIF., TO SHIP ONE IPT MODEL PROTEUS 100 AUTO-
MATIC INTEGRATED CIRCUIT, AMBIENT, BENCH-TOP HANDLER,
3-SORT, TOTAL VALUE: 3,685 DOLLARS. TO SHANKLIN

DATA SYSTEMS. END-USE: SHANKLIN DATA IPT CORP.

HONG KONG REPRESENTATIVE. HONG KONG I.C. NO. 703834,
DATED 6/3/77, SUPPORTED APPLICATION. I.C. RECEIVED IN
OEA AFTER LICENSE ISSUED. GOODS SHIPPED TO HONG KONG
VIA AMEMBASSY SINGAPORE'S U.S. REGIONAL TRADE CENTER
SHOW. SHIPPING DATE TO HONG KONG UNKNOWN.

9. FOR POST'S INFORMATION, TWO LICENSES ISSUED IN 1977 TO
TRW SEMICONDUCTOR DIV., LAWNDALE, CALIF., COVERED TOTAL
600 TRANSISTORS, TOTAL VALUE: 5,220 DOLLARS, DESTINED
SHANKLIN TRADING. END-USE: MANUFACTURE TWO-WAY RADIOS.

END PART TWO
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PAGE 04 STATE 087825

BEGIN PART THREE

10. OLD BUSINESS--HONG KONG 1416, DATED 2/4/77 DID NOT
REFERENCE OEA/CD INVESTIGATIVE CASE NUMBER. OEA/CD
COPY INADVERTENTLY DESTROYED ON RECEIPT. SUMMARY
MA MEETING REQUESTED PARAGRAPH ONE, ABOVEMENTIONED
CABLE, AS FOLLOWS:

11. ON 12/17/76, JOHNSON MA VISITED OEA/CD ACCOMPANIED
BY MESSRS. DENNOSUKE UCHIDA AND KENJI EBINA OF SUMITOMO
SHOJI AMERICA INC.'S ELECTRICAL AND ELECTRONIC DEPT.
(UCHIDA DEPT. HEAD.) VISITORS EXPECTED INFORMAL CONVER-
SATION. INSTEAD, FORMAL MEETING HELD. PREVIOUS OEA/CD
VISITOR UCHIDA SURPRISED. MA VISIBLELY SHAKEN.

12. MEETING OPENED WITH READING VARIOUS SECTIONS OF
PART 387 (ENFORCEMENT) OF THE EXPORT ADMINISTRATION
REGULATIONS. (SECTIONS DEALT RESPECTIVELY WITH SANCTIONS,
CAUSING VIOLATIONS, CONSPIRACY, CONCEALMENT OF FACTS,
DIVERSION, RECORDKEEPING ETC.) OEA/CD WANTED BOTH
MA'S FIRMS AND SUMITOMO PLACED ON NOTICE. MA FOR OBVIOUS
REASONS. SUMITOMO BECAUSE OF THAT FIRM'S PERSISTENT
EXPOUSAL OF MA'S EFFORTS TO OBTAIN GCA-D.W. MANN MASK
MAKING EQUIPMENT.

13. MA ATTRIBUTED OEA NOT ISSUING EXPORT LICENSES TO U.S.
FIRMS THAT WANTED TO SELL TO SYSTEMS DATA SEMICONDUCTOR
TO HIS INEXPERIENCE. HE SAID HE "DID NOT FOLLOW CORRECT
PROCEDURE."

14. DURING MEETING MA CONTRADICTED HIMSELF SEVERAL TIMES.
HE SPOKE OF SETTING UP MULTI-MILLION DOLLAR SEMICONDUCTOR
PLANT IN HONG KONG, YET CHARACTERIZED HIMSELF AS "ONLY
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PAGE 05 STATE 087825

A SMALL CONTRACTOR." HE IMPLIED THAT A HONG KONG BANK WOULD FINANCE HIS PROJECT. LATER, SAID FAMILY AND FRIENDS WOULD SUPPLY FUNDS. PURPORTED FAMILY SUPPORT UNUSUAL IN

LIGHT EARLIER MA COMMENT ABOUT FAMILY OPPOSITION TO HIS VENTURE.

15. WHEN MA ASKED WHY HE DIDN'T GET HONG KONG GOVERNMENT TO INTERCEDE FOR HIM WITH USG, HE REPLIED HE DIDN'T KNOW HOW TO GO ABOUT IT. LATER, MA SAID THAT HONG KONG GOVERNMENT NOT INTERESTED IN ASSISTING BUSINESSMEN. STATED THAT "THERE IS NO JOINT FUTURE BETWEEN THE GOVERNMENT AND THE PEOPLE."

16. MA IGNORED SOME QUESTIONS OR RESPONDED WITH UNRELATED ANSWERS. OFTEN THESE EVASIONS TOOK THE FORM OF LONG CONVOLUTED DIGRESSIONS. MORE QUESTIONS RAISED BY MA VISIT THAN WERE RESOLVED. HIS PERFORMANCE AS BUSINESSMAN EXAMPLE OF SOMEONE WHO KNEW THE WORDS BUT DIDN'T KNOW THE TUNE.

17. AT CONCLUSION OF MEETING, VISITORS WERE ASKED TO SIGN REVERSE OF THEIR RESPECTIVE BUSINESS CARDS. UCHIDA AND EBINA IN KANJI, AND MA IN CHINESE CHARACTERS. (MA SIGNED SYSTEM DATA SEMICONDUCTOR CARD, SHANKLIN TRADING CARD ALREADY PREPRINTED.)

END PART THREE
BEGIN PART FOUR

ACTION REQUESTED

18. CONTACT SHANKLIN. DETERMINE WHETHER TRANSACTIONS MENTIONED ABOVE IN PARAGRAPH TWO STILL PENDING IN LIGHT INFORMATION CONTAINED REFTEL, PARAGRAPH SIX. IF VIABLE, HAVE SHANKLIN GIVE ALL PARTICULARS RELATING TO ACQUISI-

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PAGE 06 STATE 087825

TION ORIGINAL ELECTROGLAS WAFER PROBERS.

19. IF NO PROBERS EXPORTED TO SHANKLIN, THEN REQUEST IDENTITY OF CUSTOMER FOR ACCESSORIES COVERED BY PENDING APPLICATIONS. CONTACT THAT PARTY FOR PARTICULARS REGARDING THEIR PURCHASE OF PROBERS.

20. FURTHER REQUEST SHANKLIN BE ASKED LOCATION GOODS COVERED BY PARAGRAPHS SIX THROUGH EIGHT. POST SHOULD VERIFY PRESENCE BY VISUAL INSPECTION. IF GOODS TRANS-SHIPPED, DETERMINE PRESENT LOCATION.

21. NO FURTHER ACTION WILL BE RECOMMENDED ON APCOM SYSTEMS LTD. UNTIL WELTON CONTACTED. REQUEST HE PROVIDE ADDITIONAL INFORMATION REGARDING APCOM. ALSO REQUEST INFORMATION AND/OR DOCUMENTS REGARDING MA'S ACTIVITIES

WITH SYSTEMS DATA SEMICONDUCTOR LTD. THAT WOULD POINT TO EITHER PRC INVOLVEMENT OR CONSPIRACY TO VIOLATE EXCON REGS.

22. PLEASE CABLE RESULTS PRE-LICENSE AND POST SHIPMENT CHECK SOONEST. VANCE

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, LICENSES, NAME CHECKS (SECURITY), BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE087825
Document Source: CORE
Document Unique ID: 00
Drafter: RJMCGEHAN/HB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780147-0867
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1978/newtext/t19780488/aaaacwdx.tel
Line Count: 240
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 84f1edb5-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 HONG KONG 3489
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3062081
Secure: OPEN
Status: NATIVE
Subject: 1. PRE-LICENSE CHECKS: SHANKLIN DATA SYSTEMS, LTD/POST SHIPMENT CHECKS: SHANKLIN DATA/TRADING CO. ROOMS 501-505, KAM CHUNG BUILDING, 54 JAFFE ROAD, HONG K
TAGS: ESTC, HK, SHANKLIN DATA SYSTEMS
To: HONG KONG
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/84f1edb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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